

NYANDENI LOCAL MUNICIPALITY

ANNUAL REPORT

2010-2011

OFFICE OF THE MUNICIPAL MANAGER

2011

[OFFICE OF THE MUNICIPAL MANAGER]

PART I Introduction and Overview

A. MAYOR'S FOREWORD

It is an honour and privilege to present the annual report which covers the work done against target set in the year under review.

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Councillor T. Sokanyile
Mayor



B STATEMENT OF THE MUNICIPAL MANAGER

As we present annual report for 2010/11 financial year. I confirm that the report has been compiled in line with the Local Government: Municipal Systems Act 32 of 2000, the Local Government: Municipal Finance Management Act 56 of 2003, as well as National Treasury Circular No. 11 that outlines Annual Report Guidelines.

The key priority areas of the institution during the year under review find their expression in the Integrated Development Plan, Budget and Service Delivery and Budget Implementation Plan and include the following.



- a) Performance management
- b) Community Works Programme
- c) Implementation of basic services to communities
- d) Development of spatial development framework
- e) Meeting of statutory timelines and reporting frameworks.
- f) Development and approval of Human Resource and Financial Policies.
- g) Enhance public participation programme
- h) Deal with administrative matters that will ensure the smooth induction of the new Council

In 2011/2012 financial year, the following areas will receive priority

- a) Institutionalisation of outcomes approach
- b) Accelerating access to basic services
- c) Continuing to review and improving financial systems and procedures.
- d) Address issues emanating from the Auditor-General's report for 2010/2011 financial year.
- e) Election and training of ward committees
- f) Improving access to basic service delivery
- g) Introduction of Traditional Leaders in Council
- h) Public safety and law enforcement

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MUNICIPAL MANAGER

C: OVERVIEW OF THE MUNICIPALITY

a. Location

Nyandeni Local Municipality is located in the OR Tambo District Municipality and is comprised of Libode and Ngqeleni magisterial districts. It is situated approximately 30kms south of Mthatha, 50 kms north of Port St John's, and boarded by a 20km stretch of the coastal belt on the eastern part and Umzimvubu river on the western part.

b. Population & Household dynamics

The National Community survey conducted in 2007 and other sources like Bureau of Market Research reveal that Nyandeni has a population of 314 273 living in 56 851 households. This population figure indicates a slight growth from 274 416 people in 2001. The average household size in the municipality is 4 people per household.

Age and Gender Distribution

The gender distribution analysis of the Nyandeni population reflects a similar pattern to that of the country with females accounting for 54% and males only 46%. Since females form the greater portion of the economically active population age groups 15 to 64 years, it will be strategic for the municipality to increase their participation in local governance issues. Analysis of the age-gender structure of Nyandeni population shows that there are more males than females in the early age groups of 0 to 4 and 5 to 14 years old. However, the figure below shows that this ratio starts to decline in the youth ages. Observations by local people suggest that this phenomenon can be attributable to the fact that most males tend to leave the municipal area (which has lesser tertiary schooling and employment opportunities) to search for better schooling or employment opportunities in developed urban centres. The figure below gives a comparative age-gender distribution using statistics from the 2001 census

Women account for 20% of the age group 35 to 64 years while males only account for 14% of the population in the same age group. This sudden shift in the gender balance of the local population points to higher levels of emigration by males once they reach early adulthood. This is the age group that is normally leaving matric and seeking work or tertiary education opportunities elsewhere. This phenomenon tends to rob local labour market of potential workforce. In the elderly population age group 65 and older years women also dominate with 7% compared to 4% males.

Household Income distribution

Analysis of income distributions among the Nyandeni households shows that the majority (36%) of population do not access to regular monthly incomes. Another 41% have incomes of less than R800 per month which implies that more than two thirds (About 77%) of households can be regarded as indigents with access to either no income or incomes of less than R800 per month. A further 14% of households only receive a gross monthly income of less than R1600. The majority of this category is households who depend on state pensions and grants. The situation depicted in the figure below indicates that there are high levels of poverty in the municipal areas.

Monthly Household Income Distribution

In the above figure the remaining 10% can be regarded as lower middle to upper income households with incomes of above R1600 per month. The latter group of households provides a threshold of households who can be expected to make a contribution towards their services while the former two groups would need special subsidy arrangements to be put in place to facilitate their access to services. Given that only 10% of the entire household population can be expected to pay for services, it is unlikely that Nyandeni municipality may implement service delivery strategies that rely on residential cross subsidization. In order for the majority of local households to access basic services, the municipality will have to subsidize their consumption and this may prolong efforts to reduce existing backlogs or extend service to those who are currently underserved.

D. Executive summary

Section 152 of the Constitution of 1996 provides Local Government a mandate to;

- a. to provide democratic and accountable government for local communities
- b. to ensure the provision of services to communities in a sustainable manner
- c. to promote social and economic development
- d. to promote a safe and healthy environment and
- e. to encourage the involvement of communities and community organisations in the matters of local government

Vision

“Nyandeni will be an area where communities enjoy a JUST access to quality services and benefit from sustainable socio-economic development in an environment of good governance and democratic practices”

Mission

Nyandeni Local Municipality will strive to become an effective and efficient municipality providing good quality and affordable services, through effective resource management, stimulation of economic growth and promotion of productive partnerships in service delivery, competent administration and working closely with our communities.

Performance highlights

Free basic services

The municipality provides free alternative energy to approximately 11337 households and about 2240 households receive free electricity per month. Indigent register has been developed and is updated annually

Electricity

About 77% of households have access to electricity

Chapter 1: Institutional Transformation and Organizational Development KPA 1

1.1 Presentation of the organizational structure

The municipality has the following departments:

- Municipal Managers Office
- Technical Services
- Community Services
- Planning & Development
- Budget and Treasury Office
- Corporate Services

The organogram has 307 posts of which 79 are vacant posts.

All Senior Managers have signed employment contracts and performance agreements.

1.2 Staff development initiatives during the Financial Year

- **Skills Programmes implemented internally**
- Local Government Law and Administration
- Performance Management System
- Project Management
- Computer Literacy
- Risk Management
- Labour Intensive Construction
- Supply Chain Management
- Records Management
- Disciplinary Hearing
- Promun System
- First Aid Training
- Building Inspection Training
- Population and Research
- Payroll Administration
- Examiner of Drivers Licence
- Enatis Training
- Contract Management and Advanced Bidding Training
- Performance Management and Audit
- OHS Training
- Fire Fighting Skills
- Local Government Accounting Certificate
- Training Committee Training
- Customer Care Training
- Advanced Local Government Law and Administration
- HIV/Aids
- Municipal Finance Management Programme
- CPMD
- Municipal Finance Management Programme
- B Admin Honours
- Introduction to SAMTRAC
- Programme in Human Resource Management

Bursary for staff members

- ND Policing
- Diploma Office Management
- ND Public Management
- B Tech Public Management
- B Com
- B Admin
- B Tech Public Management

Internship Programme

- **Skills Programmes implemented externally**
- 25 Interns given work experience
- 04 Experiential Trainees given practical experience
- 160 ward Committee Members trained in Ward Committee Governance
- 26 Ward Administrators trained in Customer Care
- 12 unemployed given training in Cooperative Governance
- 12 unemployed given training in Costing and Pricing

i. Full time staff complement per functional area (examples are given below)

a. MM/Section 57 and Line Managers

	Approved positions (e.g MM-S57 etc...)	Number of approved posts	Budgeted posts	Filled posts	Vacant posts
1	Municipal manager's office	32	29	28	04
2	Technical Services	28	18	17	11
3	Planning and Development	15	12	11	04
4	Community Services	153	114	111	42
5	Budget and Treasury Office	30	28	27	03
6	Corporate Services	49	34	34	15
	Total:	307	234	228	79

b. Staff complement in the technical services = 17

ii. Technical staff registered with professional bodies

Technical Service (e.g water,	Total number of technical service	Total number registered in the accredited	Total number pending registration	Total number not yet
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electricity etc...)	Managers	professional body	confirmation in the accredited professional body	registered in the accredited professional body
Civil and Roads	0	0	0	0

iii. Levels of education and skills

Total number of staff	Number of staff without Grade 12	Number of staff with Senior Certificate only	Number of staff with Tertiary/accredited professionals training
228	102	49	77

iv. Trends on total personnel expenditure –

Financial Years	Total number of staff	Total approved operating Budget	Personnel expenditure (salary and salary related)	Percentage of expenditure
2006-2007	135	R69 555 149	R11 886424	15%
2007-2008	152	R86 163 057	R27 975 053	32%
2008-2009	174	R75 929 867	R34 208 031	44%
2009-2010	220	R74 825 701	R47894 083	64%
2010-2011	228	R99 156 252	R61 709 534	62.24%

v. List of pension and medical aids to whom employees belong (please add if necessary)

Names of pension fund	Number of members		Names of medical Aids	Number of members
SAMWU Provident Fund	134		Bonitas	61
Cape Retirement Fund	35		LA Health	33
			Key Health	01
			SAMWUMED	73
			HOSMED	62

1.4 Senior officials' wages and benefits

- Municipal Manager – R864 646.67
- Senior Manager Corporate Services - R734 949.83
- Senior Manager Planning and Development – R734 949.83
- Senior Manager Technical Services – R734 949.83
- Senior Manager Community Services – R734 949.83
- Senior Manager Operations – R734 949.83
- Senior Manager Internal Audit – R734 949.83
- Chief Finance Officer – R734 949.83

1.5 Implementation of the Performance Management System (PMS)

Council has adopted a PMS framework and is not yet fully implemented. All Senior Managers have signed performance agreements.

Service provider (Akhani Consulting) was commissioned by DLGTA to provide assistance to the municipality on implementation of the PMS

Annual performance as per key performance indicators in municipal transformation and organizational development

	Indicator name	Total number of people (planned for) during the year under review	Achievement level during the year under review	Achievement percentage during the year	Comments on the gap
1	Vacancy rate for all approved and budgeted posts;	234	228	97%	Skills shortage & budgetary constraints
2	Percentage of appointment in strategic positions (Municipal Manager and Section 57 Managers)	8	8	100%	
3	Percentage of Section 57 Managers including Municipal Managers who attended at least 1 skill development training course within the FY	8	8	100	
4	Percentage of Managers in Technical Services with a professional qualification	2	1	50%	Skills shortage

5	Percentage of municipalities within the district area that have a fully functional Performance Management System (DM only)	N/A	N/A	N/A	N/A
8	Percentage of staff that have undergone a skills audit (including competency profiles) within the current 5 year term	228	193	85%	Non-submission of questionnaires by employees and delays in appointing service provider by COGTA for assessment of Senior Managers
9	Percentage of councillors who attended a skill development training within the current 5 year term	52	46	90%	Budget constraints and non-attendance by Councillors
10	Percentage of staff complement with disability	6	6	100%	
11	Percentage of female employees	96	92	95.8%	Resignations and delays in filling of vacant posts
12	Percentage of employees that are aged 35 or younger	75	72	96%	Resignations and delays in filling of vacant posts

1.7. Major challenges and remedial actions in regard to human resource and organizational management

Challenges	Remedial Actions
Vacant Sec 57 posts	Filled
Technical capacity of the municipality	
Skills shortage and flight	Implementation of Retention Strategy

Organisational structure not aligned to IDP objectives	Organogram is reviewed annually

Chapter 3: Basic Service delivery performance highlights

2.1 Water services

a. Water services delivery strategy and main role-players:

OR Tambo District Municipality is both the water authority and service provider. In this instance the Municipality submits its priority areas to the District Municipality for consideration and to be included on the District Municipalities IDP for the implementation

The main role players are:

Role Player	Function
O.R.Tambo District Municipality	Water authority and service provider
Nyandeni Municipality	Identify needs and submit priorities to the DM for inclusion in their plans

b. Levels and standards in water services:

- The Municipality provides free 6kl of water per month.
- The Municipality provides water stands within 200meter of reach for each household.
- The Municipality provides purified drinkable water for households.

c. Annual performance as per key performance indicators in water services

	Indicator name	Total number of household/customer expected to benefit	Estimated backlogs (actual numbers)	Target set for the FY under review (actual numbers)	Number of HH/customer reached during the FY	Percentage of achievement during the year
1	Percentage of households with access to potable water	1	OR Tambo DM is both the WSA and WSP, therefore this section will be reported in their report			
2	Percentage of indigent households with access to free basic					

	potable water	
4	Percentage of clinics with access to potable water	
5	Percentage of schools with access to potable water	
6	Percentage of households using buckets	

c. Major challenges in water services and remedial actions

- The main challenge is the lack of funding as compared to the backlog.
- Lack of bulk water supply
- Delays in implementation of projects resulting in projects overlapping to other financial years

2.2 Electricity services

a. **Electricity services delivery strategy and main role-players-** The Municipality coordinate the provision of electricity services as it is assisted by Eskom to implement electricity projects on behalf of the Municipality

- The Municipality submits its priority areas to Eskom for inclusion in the Electrification plan.
- The Municipality also plays an important role of monitoring attending meetings in connection with the projects that are implemented within its jurisdiction.
- Municipality provides villages alternative energy sources.

b. **Level and standards in electricity services**

- -Households connection of electricity
- -provision ofkw electricity to indigent
- -Provision of alternative energy in a form of a paraffin
- Annual performance as per key performance indicators in Electricity services

	Indicator name	Total number of household/customer expected to benefit	Estimated backlogs (actual numbers)	Target set for the f. year under review (actual numbers)	Number of HH/customer reached during the FY	Percentage of achievement during the year
1	Percentage of households with access to	46431hh	9684hh	1304	870	67%

	electricity services					
2	Percentage of indigent households with access to basic electricity services	2240	9684	2240	2240	100%
4	Percentage of indigent households with access to free alternative energy sources	11337	20930	11337	11337	100%

d. Major challenges in electricity services and remedial actions

- The main challenge is the lack of funding as compared to the backlog.
- Lack of communication between the District Municipality and Local Municipality.
- Delays in implementation of projects resulting in projects overlapping to other financial years

Changing of Wards resulting in projects implemented in villages that belongs to other Wards

2.3 Sanitation

a. Sanitation services delivery strategy and main role-players

- The Municipalities role in sanitation provision is to coordinate the provision of sanitation as it is the function of the District Municipality.
- The Municipality submits its priority areas to the District Municipality for consideration by the DM for the implementation of such projects.
- The Municipality plays an important role of monitoring the projects that are implemented within its jurisdiction
- The main role players are :
 - Nyandeni Municipality
 - O.R.Tambo District Municipality
 - Communities
 - Service Providers

b. Level and standards in sanitation services.

- Construction and maintenance of waterborne sewer system in urban areas
- Provision of VIP toilets in villages.

c. Annual performance as per key performance indicators in sanitation services

Indicator name	Total number of household/customer expected to benefit	Estimated backlogs (actual numbers)	Target set for the f. year	Number of HH/customer reached	Percentage of achievement during the
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				under review		year
1	Percentage of households with access to sanitation services	<i>OR Tambo DM is both the WSA and WSP, therefore this section will be reported by the DM</i>				
2	Percentage of indigent households with access to free basic sanitation services					
4	Percentage of clinics with access to sanitation services					
5	Percentage of schools with access to sanitation services					

d. Major challenges in sanitation services and remedial actions

- The main challenge is the lack of funding as compared to the backlog.
- Lack of communication between the ESKOM and the Local Municipality.
- Delays in implementation of projects resulting in projects overlapping to other financial years.
- Increase in number of village extensions
- Changing of Wards resulting in projects implemented in villages that belongs to other Wards

2. 4 Roads Accessibility

a. Road maintenance services delivery strategy and main role-players

The Municipalities role in Road maintenance is to:

- To budget for the construction and maintenance of roads.
- To prioritise the projects to be implemented according to their urgency.
- To monitor and implement Roads projects
- To submit reports to MIG and other funders on the expenditure and progress.
- To make sure that funds received are used to the maximum within the registered projects
- To lobby for funding for implementation of roads projects.
- To submit priority roads to the Department of Roads for maintenance and construction of Provincial and National roads within Nyandeni.

- The Municipality also plays an important role of monitoring the projects that are implemented within its jurisdiction by other government sectors.

- **The main role players are :**

- Nyandeni Municipality
- Communities
- Service Providers
- Department of Roads and Transport
- MIG
- SANRAL

b. Level and standards in road maintenance services

- Provision and maintenance of surfaced/paved roads within the urban areas
- Provision and maintenance of unsurfaced access roads with related storm water
- Storm water management

c. Annual performance as per key performance indicators in road maintenance services

	Indicator name	Total number of household/customer expected to benefit	Estimated backlogs (actual numbers)	Target set for the f. year under review (Actual numbers)	Number of HH/customer reached during the FY	Percent age of achievement during the year
1	Percentage of households without access to gravel or graded roads	20544 hh	20544	6745	6165	92
2	Percentage of road infrastructure requiring upgrade	32643 hh	32643	751	725	97
4	Percentage of planned new road infrastructure actually constructed	6745	6745 (68.2)	6745 (68.2)	6165 (51.6km)	92
5	Percentage of capital budget reserved for road upgrading and maintenance effectively used.	100	R 36,000,000.00	R 30,747,000.00		98%

Focus Area	Objectives	Annual Target	Actual performance	Reason for Variation
Construction of access roads		Mpindweni Access Road (15km) Ward 22	Complete 15km complete No. of jobs created = 72	Delays were encountered due to plant breakdowns and that was resolved.
		Mantanjana Access Road (6.5) Ward 12	99% complete 6.5km complete No. of jobs created = 44	Variation caused by available material on the quarry as well as contractors failure to comply with specifications
		Zanoxolo Access Road (7.6km) Ward 13	100% complete 7.6km complete No. of jobs created =35	No Variation
		Construction of 2.3km Libode Street Surface Ward 07	100% complete 2.3km complete No of jobs created =98	Variation caused by scope extension of approximately 400 m to police station.
		Gunyeni Access Road (7km) Ward 02	100% Practically Complete 7km complete No. of jobs created = 69	No variation officially done. Extra funding and variation are needed for concrete slab to prevent road from being eroded by storm water because of steepness.
		Mxhosa Access Road (6.km) Ward 18	100% complete. 7km complete No. of jobs created = 28	Variation caused by extra 1 km that was added using contingency funds on the project.
		Mdzwina A/R (8km) Ward 20	Project application has been re-submitted to DEDEA for approval.	
		Mpindweni W04 A/R (8.5km)	Project application has been re-	

		Ward 04	submitted to DEDEA for approval.	
Due to delays encountered for approval of EIA for Mdzwina access road ,Mpindweni W04 access road and suspension of works for Nothintsila access road six (6) 2011/2012 access roads were implemented for MIG as expenditure purposes as follows:				
		Mbhananga Access Road (7km) Ward 2	Project at 50% completion 5.6km complete as at June 2011 No of jobs created 3 as at June 2011	
		Mdlankomo Access Road (6km) Ward 08	Project at 45% completion 3.6km complete as at June 2011 No. of jobs created: 11 as at June 2011	
		Noxova to Mandileni Access Road (10.2km) Ward 17	40% complete 7.14km complete No. of jobs created: 3 as at June 2011	
		Gqweza Access Road (11.7km) Ward 05	41% Complete 7.02km complete No. of jobs created: 10 as at June 2011	
		Siqikini Access Road (13km) Ward 01	49% complete 9.1km complete No. of jobs created: 5 as at June 2011	
		Vezamandla Access Road Ward 09	100% Complete 6.9km complete as at June 2011 No. of jobs created = 55 as at June 2011	

Focus Area	Objectives	Annual Target	Actual performance	Reason for Variation
Municipal maintenance on electricity	To facilitate provision of street lighting, industrial, rural electrification and basic electricity integrated facilities.	Ngqeleni taxi rank	Completed (100%)	
		Ngqeleni pound	Electrical installation is complete and Eskom application submitted.	Awaiting for Eskom to connect the line
		Ngqeleni offices	Ongoing repairs (95%)	
		Ngqeleni pre-school	Electrical installation is complete and Eskom application submitted.	Awaiting for Eskom to connect the line
		Ngqeleni street lights	Done –on going	
		Libode main offices	Done –on going	
		Traffic offices	Done –on going	
		Libode pound	Electrical installation is complete and Eskom application submitted.	Awaiting for Eskom to connect the line
		Libode cemetery	Electrical installation is complete and Eskom application submitted.	Awaiting for Eskom to connect the line
		Libode workshop	Completed (100%)	
		Libode street lights	Done –on going	
Electrification of Nyandeni Villages		Sun city electrification	85% Infrastructure on households completed	New sites are being developed
		Ngolo electrification	76% Infrastructure on households completed	New sites are being developed
		Nkanini electrification	92% Infrastructure on households completed	New sites are being developed
		Sibangweni electrification	80% Infrastructure on households completed	New sites are being developed
		Mthombe tsistsa	100% Infrastructure on households completed	Awaiting for substation to be powered

		Ngolo ward 5	100% Infrastructure on households complete	Awaiting for substation to be powered
		Sompa	60 % Infrastructure on households completed	Contractor stopped / terminated

Focus Area	Objectives	Annual Target	Actual performance	Reason for Variation
		Mtombe (4km) Ward 4	100% Complete	
		Jange (4km) Ward 24	100% Complete	There is a need for stormwater channels
		Hamsini (1km) Ward 23	100% Complete	
		Sidabadabeni (4km) Ward 26	Approval of Technical Report	
		Ncithwa (5km) Ward 6	100% Complete	
		Lower Malahle and Mgojweni (10km) Ward 22	Tender Evaluation Stage	Re-Tender
		Bantini bridge (18m) Ward 21	100% Completion on Bridge extension	
		Sinethemba Orphan Special School(2km) Ward 21	Tipping 100% Complete	
		Libode Police Station Storm water Ward 07	100% Complete	Extended scope of works
		Cleaning of side drains and Patching of potholes (Ngqeleni) ward 21	On-going maintenance	
		Cleaning of side drains and Patching of potholes	On-going maintenance	
	Plant Internal	Chunu (4.5km) Ward 15	Complete	Plant Breakdown
		Kopshop (400m2) Ward 15	70% levelled	Community-Taxi Association disputes
		Mncane (1.5km) Ward 14	100% Complete	

		Mdeni (2km) Ward 14	100% complete	
		Tyarha (5km) Ward 03	100% Tipping	
		Nyandeni (4.5) Ward 3	100% Roadbed	

d. Major challenges in road maintenance services and remedial actions

- The main challenge is the lack of funding as compared to the backlog.
- Lack of communication between the Department of Roads and Local Municipality.

2.5 Waste management

a. Waste management services delivery strategy and main role-players

The District Municipality is a Waste Management Authority. Nyandeni Local Municipality is responsible for providing refuse removal service to its area of jurisdiction. Waste removal services refer to removal of general waste which can be grouped into domestic waste, commercial waste, building rubble and garden refuse.

Refuse removal service is provided to the two urban areas of Libode , Ngqeleni . This service is mainly provided in the municipal area that covers commercial and residential areas but excludes rural areas. This service has been expanded to Ntlaza, St. Barnabas Hospital, Kopshopu Taxi Ranks, and Mt. Nicholas JSS. Rural areas generally use a range of temporary mechanisms.

Waste is collected in refuse bags, transported by the waste collection vehicle to the waste disposal site.

Waste is collected daily from the CBD area, twice a week from Ntlaza, Kopshopu and once from domestic households and Mt Nicholas.

The households are provided with black refuse bags while refuse bins are used in the commercial area. St. Barnabas Hospital is provided with transparent plastic bags.

Currently there is a constructed landfill site completed during the 2007/2008 financial year. The site has never been in operation due to a permit decline dated 31st October 2008. The municipality is currently operating waste disposal sites that are not permitted

The role players in the waste management provision are OR Tambo DM, DEDEA and the LM. There is an individual who is currently involved in waste minimisation through selling recyclable material from both towns to recyclers. DEDEA ensures that the waste management strategy is in line with Government Policy. DEDEA has assisted the municipality in obtaining a permit to operate a landfill site and providing options for waste disposal while resolving the matter.

b. Level and standards in waste management services

Waste collection and transfer are relatively basic. The following has been achieved in 2010/11:

- 15 000 refuse bags purchased
- 70 bins purchased and installed in both towns

- Consultative Workshop on Waste Management held on the 22nd September 2010
 - Waste Management Concept Document and Implementation Plan approved
 - A joint Waste management awareness campaigns with KSD Municipality were conducted in Ziphunzana & Corhana,
 - Environmental Education Workshop for schools held on the 30th March 2011 at Sbangweni
 - The Technical Services Department assisted with machinery for maintenance of dump sites
 - Business Plan for casuals approved and appointment effected as of 10th December 2010. 56 casuals appointed in Partnership with Strategic Unit.
 - Grass cutting at town entrances, clearing of dumping areas in extension 1 (Libode) and extension 4 at Ngqeleni
 - USK Consulting Services commissioned to undertake landfill site permitting process, to this end the following has been achieved
- ✓ Finalized geo-hydrological studies & addressed issues that were previous raised during the 1st phase of application.
 - ✓ finalized new designs
 - ✓ Has submitted permit application to DEDEA (the authorizing agent)
 - ✓ During the budget adjustment an amount of R150 000, Umthonyama Consulting has been appointed to develop the IWMP and are busy with phase 1 which is the status quo report.

c. Annual performance as per key performance indicators in waste management services

	Indicator name	Total number of household/customer expected to benefit	Estimated backlogs (actual numbers)	Target set for the f. year under review	Number of HH/customer reached	Percentage of achievement during the year
1	Percentage of households with access to refuse removal services	2900	900	2000	2000	100%

d. Major challenges in waste management services and remedial actions

Challenges

- Delays in permit and licensing of the landfill site which is not dependent on the municipality.
- Finalization of the Integrated Waste Management Plan in order to inform budgets and organogram.
- Filling of the vacant post of Community Services Officer
- Effective awareness programmes on waste management that are able to change mindset of persons.

2.6. Housing and town planning

a. Human Settlements and town planning services delivery strategy and main role-players

The Government has a Constitutional mandate to provide shelter to the deserving people. The Housing Act of 1997 then defines the roles of each sphere of Government in fulfilling such Constitutional mandate. The need to develop houses is derived from the communities i.e. beneficiaries who will benefit from the houses. The Municipality would capture the prospective applicants in its data base and make them to fill subsidy application forms. It is only those beneficiaries who are within the qualifying income brackets who can be considered for housing development.

After the Municipality has identified qualifying beneficiaries, the Municipality would then have the duty to identify the land that will be suitable for the human settlement development. The Municipality would then engage the services of the Town Planner who will develop a Lay out Plan for the Township. A layout plan will then be approved by the Council and then a formal application should be made to the Department of Local Government for the final approval of the township and approval of the layout plan. Once the layout plan is approved, then the land is surveyed and each site where the houses will be built will be allocated an Erf Number.

The next step after the land has been planned and surveyed, the Municipality should provide funding for the installation of Basic Infrastructure. This will include Internal services and Bulk external services. The type of services that will be put in the township would include access roads, water and sanitation. The infrastructure that will be put will be in accordance to RDP Standards.

The Provincial Department of Human Settlements will be responsible for the approval of applications for housing development and for the allocation of funds for the construction of houses. During the construction of houses the Municipality also serves as a developer and appoints contractors who will construct houses. The Municipality will also be responsible for the monitoring and assessment of progress made in delivering houses. The municipality also hands-over the houses immediately after the construction has been completed through the signing of happy letters.

The municipality also plays vital role in terms of destitute families affected by disaster, application processes, housing consumer education, renovations and transfers.

Further than that, the Town Planning Division is responsible for the general town planning services and land use management of the two towns, Libode and Ngqeleni. This section is responsible for advising the Municipality on all possible developments that are going to happen within the Municipality. This section also ensures that a credible Spatial Development Framework is in place and the implementation thereof in order to give effect to Section 26 (e) of the Municipal Systems Act 32 of 2000 . The Town Planning Division also ensures that the Standard Town Planning Scheme applicable to the Municipality is enforced.

The Main players involved in Housing are:-

- The National Department of Human Settlements whose role is to provide legislative and policy framework on housing development and allocate funds to the Provinces. The National Department of Housing also approves the Housing Subsidy quantum. The National Department of Human Settlements also provides Norms and Standards that must be met when building houses.

- The Provincial Department of Human Settlements approves housing applications and allocate funds to the Municipality. This Department also monitors the development of houses.
- The Municipality plays the facilitating role, mobilization, identification and registration of housing beneficiaries.
- The Municipality also provides Bulk Infrastructure for internal and external services.
- The beneficiaries ensure that the houses are delivered according to their expectations and monitor the development of their houses.
- The contractors are responsible for the provision of a good quality of houses through construction.
- The town planning section ensures that the land in which houses are to be built is best suitable for such development and such development is done according to the Municipality's Spatial Development Framework. This section provides the layout plan for the area in which houses are to be built.
- National Home Builders Registration Council (NHBC) provides ethical and technical standards by inspecting enrolled homes under construction to comply with building standards and guidelines.
- Financial institutions such as Banks which provide financial opportunities or ensure access to finance for the qualifying beneficiaries to acquire or improve homes of their own.

b. Level and standards in Housing and town planning services

The construction of houses that is undertaken by the Municipality should always comply with the prescribed norms and standards that are prescribed by the Department of Human Settlements. In terms of the norms and standards as prescribed, when the Municipality intends to build low cost houses it must ensure that it builds a 40 square meter house with proper sanitation and each house should have a flushable tap within the house. The Municipality should ensure that every prescribed norms and standards are being followed and are adhered to by the Municipality.

Even after the houses have been built, before they get occupied, they need to be inspected and there is a body recognised by the Department of Human Settlements which inspects the houses in ensuring that they meet those standards. Such a body is called National Housing Building Registration Council (NHBC) and is responsible for advising the Department if the Municipality has met or not met those prescribed norms and standards.

For each housing project to succeed, certain criteria and guidelines need to be applied. Firstly, before the housing development commences, the Municipality must ensure that all the beneficiaries that are going to benefit from the development are taken from people who qualify to be beneficiaries. It is always a cry in South Africa that civil servants are robbing the Government and benefit from housing development when they enjoy high salaries and they do this at the expense of the poor people. Therefore, when considering this development, the Municipality must ensure that it takes beneficiaries from the pool of people who all qualify for the houses. This refer to people who earn within the bracket of 0- R3500 per month.

During the year under review the Town Planning Division has identified a need to undertake the re - establishment of the Following Townships in terms of Section 11 of the Townships Ordinance 33 of 1934:-

- Extension 5 Ngqeleni
- Extension 2 Libode
- Extension 3 Ngqeleni

c. Annual performance as per key performance indicators in housing and town planning services

	Indicator name	Total number of household/customer expected to benefit	Estimated backlogs (Actual numbers)	Target set for the f. year under review	Number of HH/customer reached	Percentage of achievement during the year
1	Percentage of households living in informal settlements	150	150	nil	nil	nil
2	Percentage of informal settlements that have been provided with basic services	nil	150	nil	nil	nil
3	Percentage of households in formal housing that conforms to the minimum building standards for residential houses	161	1900	161	80	

Summary of achievements

SUMMARY OF KEY ACHIEVEMENTS		
Sustainable Human Settlements		
Objectives	Annual Targets	Actual Performance
To have a proper way of addressing housing needs and housing allocations	At least one housing policy is developed	Funds for this have been re-directed to another vote during budget adjustment.
To ensure that all housing and other significant projects are made known to the communities.	At least 5 projects will be launched	The target could not be met.

To ensure that communities and beneficiaries are capacitated on housing processes and their involvement on housing development	At least 10 successful Housing Consumer Educations are conducted	Only one housing consumer education did take place.
<p>To ensure that constructed houses are in good condition.</p> <p>To lobby funds for the provision of adequate low cost housing for both urban and rural areas.</p>	<p>Mobilize funds for the construction of 500 low cost units in Libode.</p> <p>Attend to Disaster housing programme</p> <p>At least 70 people will have their houses renovated in Ngqeleni Extension 4 and at the two town's pilot houses.</p> <p>At least 150 rural houses will be constructed during the year and 80 emergency houses will be provided to the deserving beneficiaries.</p>	<p>Also at Ngqeleni Extension 4, 142 Happy letters signed with rightful beneficiaries</p> <p>Site handover for Misty Mount Garment and Handwork factory shop was done.</p> <p>Renovations commenced for Thabo Mbeki House that was identified on the 67 minutes.</p> <p>Conducted inspection on erected structures of affected wards.</p>

The following progress on general housing development was recorded during the year under review:-

The progress as at June 2011 was as follows:-

Construction at Ngqeleni Extension-4

Masakhane Construction was appointed for the construction of 161 low cost houses at Ngqeleni Ext 5:

Progress: 161 Boxes, 160 Slabs, 160 Wall plate, 159 Roofs, 159 Plastered, 135 Bagging, 80 Apron, 129 Plumbing, 87 Glazing, 80 Doors and 85 Window sill.

Progress was also recorded on 36 sites that were outstanding on Ngqeleni extension 4.

Also at Ngqeleni Extension 4, 142 Happy letters signed with rightful beneficiaries

Libode 500 Low Cost Houses

Attempts had been made with no success to access funding for the provision of Bulk Sewerage in Libode for the development of 500 housing units.

Rural Housing Projects

Mampondomiseni and Mhlanganisweni Rural Housing Projects.

Mampondomiseni Rural Housing Project

BRN and ABAPHUMELELI Contractors were appointed for the construction of 300 units at Mampondomiseni.

Progress:- Phase 1: 20 Completed, 18 Roofing, 52 wall plates and 60 Slabs
Phase 2: 62 units completed 14 roofs, 24 slabs, 72 tank stands, and 25 footings.

Mhlanganisweni Rural Housing Project

Neba Vest Construction was appointed for the construction of 350 units at Mhlanganisweni.

Progress:- Phase 1: 42 Slabs, 40 Wall plates, 11 Roof, 2 Plaster and 2 paint external.

Phase 2: 67 Slabs, 51 Wall plates, 8 Roofs and 5 Plaster

Qhokama 22 households

22 Households of old age and child headed families were identified by the Department of Human Settlement to benefit from low cost houses after Bambusiba's incident.

Progress:-

16 Completed

5 Finishing stage

Two houses for Bambusiba family were handed-over by MEC for Human Settlements, SABC 2 donated furniture, The Department of Agriculture donated with ploughing, seeds and fencing and NAFCOC donated two- room flat.

The following rural housing projects are considered by the Department of Human Settlements for 2011/2012 budget:-

Housing consumer education was conducted on the following villages:

Ntsundwana (Ward 20)

Mbhobheleni (Ward 04)

Mqwangqweni (Ward 14)

Libode and Ngqeleni Pilot Houses: The Municipality is in the process of effecting renovations at the two town's Pilot Houses.

8 Veterans were identified for Military Veteran's Housing Programme.

Site handover for Misty Mount Garment and Handwork factory shop was done.

DISASTER ISSUES

Out of 364 disaster beneficiaries submitted the Provincial Department of Human Settlements, 175 were approved.

Conducted Assessment on Disaster programme in the following wards:-

- Ward 13: 16 affected and 07 homeless
- Ward 20: 4 affected and 1 Homeless
- Ward 17: 5 Homeless and Assessment could not be finished.
- Ward 22: 63 Affected and 09 Homeless
- Ward 24: 21 affected and 09 homeless
- Ward 23: 32 affected and 01 homeless
- Ward 03: 39 affected and 01 homeless.

Visited the following wards:- 23, 22, 26,17, 20, 07,25, 24, 16, 06, 05, 03, 18, 13, 12, 15, 09, 10 and 08 to sign forms with disaster affected families.

O.R.Tambo D.M provided 20 temporal structures for disaster affected households.

c. Major challenges in housing and town planning services and remedial actions

Some of the challenges in housing development include:-

- Delays in the development of 500 units in Libode due to non-availability of Bulk Sewer.
- Water shortage to the existing Housing projects.
- Delays in the payment of labourers.
- No clear plan for future allocation of funds for housing development by the Provincial Department of HS.
- Delays in procurement processes in terms appointing and paying contractors.
- Insufficient funding
- Backlog in basic services(lack of bulk infrastructure)
- Poorly constructed houses.
- Unlawful occupation of land or land invasion.
- Land claims
- Shortage of water during construction that delays the completion period for housing development.
- Insufficient funds which sometimes make it difficult to deliver good quality of houses.
- High increases in material prices.
- The quantum that is applicable to all whether in rural or urban areas.
- The untraceable beneficiaries to occupy their houses and which resulted in their houses being vandalized.

Remedial actions

Some of the remedial action to the challenges of housing and town planning services include:-

- That there should be a re-visit to the legislation that deals with allocation of funds for housing development so that projects away from where building material is being purchased i.e. those in rural areas should be given more money than those in urban areas.
- That the Municipality should be able to change beneficiaries when they do not turn up to occupy their houses.
- Funds should be allocated taking into account high material increases.
- That the red tape in approving of town planning applications should be minimized.

2.7 Spatial planning

a. Preparation and approval process of Spatial Development Framework Plan (SDF):

The municipality embarked on the review of the first generation Spatial Development Framework Plan for Nyandeni that dates back to 2005. In March 2011, the Spatial Development Framework Plan was presented to the Council and received Council's approval.

Settlement Planning

(1) Ngqeleni Extension 3

In order to comply with Section 6 and Section 20 of the Townships Ordinance 33 of 1934, the Municipality is in the process to re-establish Extension 3, Ngqeleni for MEC approval. Extension 3, Ngqeleni are single residential erven measuring approximately 1000m² in extent. These erven are earmarked for residential use. In order to effect development and allow for the process of security of title, the implementation of this project remained vital. The application was advertised twice on local newspaper and published on the government gazette. The municipality's intention has been submitted to DHLGTA for approval.

(2) Extension 2, Libode and Extension 5 Ngqeleni.

An Environmental Authorisation as an annexure required for the Township Establishment of Extension 2, Libode and Extension 5 was sought.

Advertisements calling for proposals for the EIA's for Ngqeleni Extension 5 and Libode Extension 2 were placed and service providers to conduct EIA were appointed. A process plan was drafted and submitted by Consultant to the Municipality. A basic assessment report and section 24 G application were submitted to DEDEA for extension 2 Libode and Extension 5, Ngqeleni respectively. A Record of decision was received for the respective applications.

b. Land use management:

Rezoning

The Council approved rezoning of Erf 59, Libode from Special Residential Use to General Business Use.

The development and operation of Libode Super Spar on Erf 57, Libode. This property brags to be one of the Municipality's first successful development where Council had played an important role first in ensuring an enabling environment as well as utilising the rezoning tool for economic development. Libode Superspar was opened officially for use.

Erf 42, Ngqeleni a property zoned for business purposes. This property, privately owned was revitalised by constructing a multi million rand retail wholesale shop, trading as Ngqeleni Super Spar.

Sub-division

The following subdivision applications were administered and approved:

The subdivision of Erf 986 and 987, Libode into 1 remainder and a portion. Erf 1287 and 1288 are additional erven created in order to accommodate 4 church applications that were lodged with the Municipality.

Subdivision of Erf 24, Libode:- The owner of Erf 24, Libode intends to subdivide this piece of land in order to give existing building structures (Pep Stores) their own area of title.

Also the subdivision of Erf 90 and Erf 97, Libode into taxi rank and retail facility had started.

Consent use

The Council approved an application for the Special Consent for the development of a Filling Station at Erf 55, Libode.

Removal of restrictive conditions

There were no applications lodged for Removal of restrictive conditions

Further details on Land Use matters that were considered during the year under review include:-

- Received copied of land disposal policies from other municipalities. The Land Disposal policy has been drafted and customized for NLM
- Received letter disposing Erven 82, 88 and 89, Libode to Nyandeni LM, signed by the MEC for Public Works . A Conveyancer had been appointed to effect the transfer of these properties.
- Approved 7 building plans

- Received response from the Department of Local Government suggesting on the application for subdivision of Erf 90 for Mr. Qoyi's residential site.

C. Major challenges in spatial planning services and remedial actions

Challenges in spatial planning include, that:-

- The Provincial Department of Local Government and Traditional Affairs takes a very long time in approving applications for Land Use and that there supposed to be a review of the legislation that regulates that.
- Development that is happening haphazard and not guided by proper planning. A review of SDF and implementation of Town Planning Scheme will be of great advantage.
- Budget allocation is insufficient.
- Capacity in the form of systems such as GIS and Auto Cad that assure a Town Planning Division that functions efficiently.
- Delays in the approval of town planning services and in the survey of the land for housing delivery.
- Bulk infrastructure is a problem.
- Legislative requirements to approval of development on the sites. (EIA's, TIA's, subdivision and use right approvals). These are often lengthy with a lot of red tape causing developers and potential investors to be discouraged and look for other alternative spaces in more conducive environments.
- Land ownership. It is always the last option to completely dispose off a property to developers. The rise of the lease agreement option has completely put a standstill to development.

Remedial actions

The following are some of the remedial solutions on town and spatial planning matters:-

- Implementation of Spatial Development Framework
- Provision of infrastructure and quality and reliable services.
- Managing spatial policies.
- Land use regulation and development applications.
- Adoption of nodal based approach (rural development)

2.8 Indigent Policy Implémentation

- Indigent policy published for comments and representation
- Data capturing of ward based information for indigent register completed
- Indigent register has been developed and adopted by council
- 2240 of households receive free electricity per month

Free basic alternative energy

Clusters	target	actual
Cluster1: Ward 12 & 26	2258	2258
Cluster 2:Ward 11,12,13,14,15,16 &17	3882	3882
Cluster 3: 11,12,13,14,15,16,17	5197	5197
Total	11 337	11 337

Summary of achievements

Challenges

- The verification of indigent register stalled due to change in the demarcation of certain wards. Secondly, the verification had to await the Local Government Elections on the 18th May 2010.
- Inadequate funding to address 20930 backlog

2.9 Overall service delivery backlogs

Basic service delivery area	30 June 2010			30 June 2011		
Water backlogs (6KL/month)	Required	Budgeted	Actual	required	budgeted	Actual
Backlogs to be eliminated (n0. HH not receiving the minimum standard service)	<p><i>OR Tambo DM is both the WSA and WSP, therefore this section will be covered in the DM's report</i></p>					
Backlogs to be eliminated (%: total HH identified as backlog/total number of HH in the municipality)						
Spending on new infrastructure to eliminate backlogs (R000)						
Spending on renewal of existing infrastructure to eliminate backlog (R000)						
Total spending to eliminate backlogs (R000)						
Spending on maintenance to ensure no new backlogs (R000)						
Electricity backlogs (30KWH/month)						
Backlogs to be						

eliminated (n0. HH not receiving the minimum standard service)						
Backlogs to be eliminated (%: total HH identified as backlog/total numb of HH in the municipality)						
Spending on new infrastructure to eliminate backlogs (R000)						
Spending on renewal of existing infrastructure to eliminate backlog (R000)						
Total spending to eliminate backlogs (R000)						
Spending on maintenance to ensure no new backlogs (R000)						
Sanitation backlogs	Not applicable					
Backlogs to be eliminated (n0. HH not receiving the minimum standard service)						
Backlogs to be eliminated (%: total HH identified as backlog/total numb of HH in the municipality)						
Spending on new infrastructure to eliminate backlogs (R000)						
Spending on renewal of existing infrastructure to eliminate backlog (R000)						
Total spending to eliminate backlogs						

(R000)						
Spending on maintenance to ensure no new backlogs (R000)						
Road maintenance backlogs						
Backlogs to be eliminated (n0. HH not receiving the minimum standard service)						
Backlogs to be eliminated (%: total HH identified as backlog/total numb of HH in the municipality)						
Spending on new infrastructure to eliminate backlogs (R000)						
Spending on renewal of existing infrastructure to eliminate backlog (R000)						
Total spending to eliminate backlogs (R000)						
Spending on maintenance to ensure no new backlogs (R000)						
Refuse removal						
Backlogs to be eliminated (n0. HH not receiving the minimum standard service)						
Backlogs to be eliminated (%: total HH identified as backlog/total numb of HH in the municipality)						
Spending on new infrastructure to eliminate backlogs (R000)						

Spending on renewal of existing infrastructure to eliminate backlog (R000)						
Total spending to eliminate backlogs (R000)						
Spending on maintenance to ensure no new backlogs (R000)						
Housing and town planning						
Backlogs to be eliminated (n0. HH not receiving the minimum standard service)						
Backlogs to be eliminated (%: total HH identified as backlog/total numb of HH in the municipality)						
Spending on new infrastructure to eliminate backlogs (R000)						
Spending on renewal of existing infrastructure to eliminate backlog (R000)						
Total spending to eliminate backlogs (R000)						
Spending on maintenance to ensure no new backlogs (R000)						

2.10 Public Safety

- The following functions are performed under Public Safety: Traffic services, Drivers' License Testing Ground, Security Services and Law Enforcement, Crime Prevention in partnership with SAPS.

The following has been achieved:

2.10.1 Drivers' License Testing Centre

- e-NaTIS system is up and running. Bookings started on the 25th and the first class was on the 29th of November 2010.
- Total revenue collected: R703 499.00 (six months-25 November 2010-31 June 2011)
- 256 transactions have been made and they are only for bookings and issuing of learners licenses.
- Local Transport Forum was active
- Participated on driver of the year competition (D.O.T.Y) Local and District and Provincial levels.
- Awareness programmes on road safety programmes-Nggeleni (Ntapane) and Libode (Mchonco) targeting R61 which has prevalent accidents due to stray animals.
- On the 03rd the Arrive Alive campaign was officially launched and it was embraced by all stake holders of the uniform fraternity.
- Appointment of service provider for the Construction of the Drivers' License Testing Ground (DLTC)

2.10.2 Traffic Services

The following violations were recorded in year under view

- I. 29 Moving violation ticket issued
- II. 43 Equipment violation
- III. 88 registration and licensing
- IV. 37 Other violations
- V. 12 arrest made

Remedial actions

3.3 Law Enforcement

- Three(3) law enforcement officers were registered as Traffic Wardens assumed their duties in February 2011

Challenges.

- DLTC grounds construction progressing slower than anticipated timeframes affecting total potential revenue to be collected.
- Non –procurement of the registering Authority due to identification of suitable space.
- Shortage of examiners in the inception phase of the eNatis system.
- Non – enforcement of bye-laws.

3.4 Crime

Prevention in partnership with SAPS

- Community Safety Forum was active and had two campaigns.

Challenges

- DLTC grounds' construction progressing slower than anticipated timeframes affecting total potential revenue to be collected.
- Non-procurement of the Registering Authority due to identification of suitable space.
- Shortage of examiners in the inception phase of the e-Natis system
- Non-enforcement of bye-laws

Remedial actions

- Fast-tracking of the DLTC grounds construction to be finalized.
- Fast-tracking of the Registering Authority.
- Law enforcement officers to be capacitated and taken on practical training of enforcing bye-laws to a well experienced municipality.

4. Other services

4.1 Pound Services

- Impoundment of stray animals is done.

4.2 Cemeteries

- Provision of burial land to local residents in both towns and townships is done.

4.3 Libraries

- Provision of educational information and affordable services such as faxing, typing, internet access to communities at Libode and Ngqeleni.
- Awareness raising to communities by observing: 4 National Library Activities (World Book Day, Literacy Day, Library week, Poetry Day).
- Literacy Day was successfully hosted on the 20th August at Pangalele S.S.S despite the strike challenges.
- Build-up for Library Week at Nyandeni: 16th February 2011 and 23rd February 2011 at Ngqeleni Development Centre for Poetry Day and World Book Day.
- Library Week was hosted on the 24th February 2011 at Sbangweni-Nontswabu J.S.S.
- Attended Provincial Library Week at Alfred Nzo District on the 17th March 2011. All participants from Nyandeni representing OR Tambo won.

4.4 Education, early childhood and adult learning

- MoU and SLA with ECATU signed for the building of two pre-schools.
- The Conceptual Meeting has taken place in Ward 26, in Ward 24 to introduce ECATU.
- Pre-school plumbing finalized at Ngqeleni and pre-school launched.
- Building of pre-schools initiated.

CHAPTER 3: MUNICIPAL LOCAL ECONOMIC DEVELOPMENT FRAMEWORK

3.1 Brief presentation of LED strategy

3.1.1 Status on developing the LED strategy

The Department of Local Government and Traditional Affairs appointed 3Sixty, a company of LED experts to conduct an LED Socio-economic profile of Nyandeni Local Municipality. The Socio-economic Analysis, which served as a basis for the review of the LED Strategy was therefore developed within a period of two months and presented to the Council.

The Department of Local Government and Traditional Affairs also developed Terms of Reference that will help in the review of Nyandeni LED Strategy. Advertisement was placed in the local newspaper, calling for proposals for the review of the LED Strategy.

Our Municipality had also received funding worth R1m from Thina Sinako for LED Capacity Building, earmarked for LED Staff, LED Councillors and key role players. A Project Steering Committee (PSC) had been established and progress report had been presented to the Standing Committee. An implementation plan for the LED Capacity was presented and approved by the PSC and as a result some of the activities had started.

Setting up a LED unit

An LED Unit exists in our Municipality within our Planning and Development Department. Our LED Section is composed of 3 sub-sections responsible for Agriculture, SMME and Retail and Tourism. All of these subsections except Tourism have officers dedicated for their day to day activities and these are headed by the LED Manager who is the overall head for all of them. There are also LED clerks that are working in these subsections.

The availability of a LED expertise

LED expertise was brought to our Municipality through the LED Capacity support that we received from Thina Sinako. This is targeting LED official and Councillors responsible for LED. Furthermore, our recruitment strategy provides for the recruitment of personnel who have skills on LED and who have qualifications on the area of Economic Development.

LED stakeholder forum functionality

Our Municipality had, through the LED Capacity Building Support it received from Thina Sinako also introduced the concept of Local Action Teams which served as a vehicle to drive economic development. The Local Action Team is made up of key strategic stakeholders that are directly involved in local economic development and their duty is to make recommendations to the broader LED Forum. The intention is to strengthen the LED Forum and make it fully functional. The following are some of the stakeholders that have been considered to be members of the LED Forum:-

- LED Standing Committee
- NAFCOC
- Farmers Association (Libode & Ngqeleni)
- Hawkers Association (Libode & Ngqeleni)
- Local Tourism Organization
- Dept of Agriculture
- Department of Social Development
- Traditional Leaders (Libode, Ngqeleni)
- Taxi Industry (Libode, Ngqeleni & Ntlaza)

The Nyandeni Local Action Team (LTO) will comprise of the following members:-

- Organizations of civil society
- Ntinga O.R. Tambo Development Agency
- Public Institutions like SEDA, ITD, ECDC, IDT e.t.c
- LED Unit of O.R. Tambo District Municipality

- Representatives of organized business
- Nyandeni LED Unit
- Traditional Leaders
- Ward Councillors
- LED Standing Committee
- DEDEA
- DLG & TA

3.1.2 Funding opportunities of LED activities (indicative figures on Donors/funders and types of program)

Our Municipality together with Asgisa EC co-funded Maize production program that targeted 3 wards. The Municipal contribution was R700.000 and this helped in the purchase of inputs and in the actual plating of maize in these wards. The 3 beneficiary wards were: Mhlanga (ward 3) with 53 hectares, Mtyu (ward 16) with 103 hectares and Sibangweni (ward 10) with 75 hectares.

All the areas were planted with maize except for Mhlanga which was planted with Soya Beans. The maize production progressed well and a considerable improvement in the harvest was noted.

DEDEA had funded a Hydroponics Project, Green Fingers Hydroponics at Ward 7 at a tune of R1m. This funding was transferred into our Municipality.

Our Municipality procured wool pressers for Nyandeni Wool Growers Association.

O. R. Tambo District Municipality provided our Municipality with 2 tractors to assist small projects with ploughing and the DM also purchased potato seeds for those projects.

The following projects have benefited from the O.R. Tambo assistance:-

- Imveli yamaMpondo at Tyara, ward 3
- Nobubele Old Age at Rainy ward 3
- Sizanobuhle Youth project at Mngamnye ward 15
- Sibanye project at Mdumazulu ward 17
- Zenzele Women's Project at Mampondomiseni ward 17
- Zitatele Agricultural Co-op at Gxulu ward 09
- Welese Youth project at Nomadolo ward 23
- Thekwini Youth Co-op at Thekwini ward 23.

A Business Plan for the Dairy Farm at Mdlankomo area was prepared, presented to the community and approved by the Council. The Business Plan estimated that for the project to succeed, we need a capital investment of R24 791 500.00 of which R5 895 000.00 will be a contribution from the private partner and R18 896 500 will be a community contribution.

We also negotiated with the NEF for funding and a business plan has been submitted for assessment. The office of the Mayor has also approached office of the President of the Country and Eastern Cape MEC for Rural development and Agriculture mobilizing funding.

Furthermore, towards the end of the financial year under review, our Municipality received approval of R1m from Thina Sinako for LED Capacity programme. A Project Steering Committee was set up and the project progressed well.

The Department of Environmental Affairs had pumped huge funds to our Municipality, funding two projects, being, EC – Working for the Coast (WftC) Mthatha Mouth to Manteku and EC – Land Rehabilitation Project in Khonjwayo Traditional Area at R7m and R10m respectively. These projects have started and Projects Advisory Committees have been formed.

The Working for the Coast project entails the coast cleaning, coast rehabilitation, removal of Invasive Alien Species and installation of signage along the coast. The Khonjwayo Traditional Area Project involves land rehabilitation in the Amakhonjwayo area.

Also the Department of Tourism has funded the development of Chalets at Nyandeni Great Place at a tune of R7, 6m.

3.2 Progress towards achieving the LED key objectives

a. Improve public and market confidence

The public and market confidence of our Municipality had been improved as a result of the successful implementation of funded projects. All the projects that were funded from external funding sources were implemented without problems and the Municipality had been able to properly account for those funds.

Furthermore, the stability that the Municipality enjoyed both politically and administratively placed it in a comfort position in getting public confidence. Also our Municipality had shown considerable improvement in financial management and had credible financial statements which resulted in getting an unqualified audit opinion from the Auditor- General. These all contributed in building public and market confidence in that a number of institutions have shown interest in investing in our Municipality.

3.2.1. Spatial development framework (SDF)/Land use management system(LUMS);

During the year under review the review of Nyandeni Spatial Development Framework (SDF) had been completed and presented to all Councillors and approved by the Council.

3.2.2.Red tape reduction: Turn-around time for licensing and other business related applications;

A service provider was appointed to supply and deliver 100 portable hawker stalls to assist hawkers that are selling fruit and vegetables in both towns. It was later discovered that what was delivered by the service provider was not according to the agreed specification and was therefore felt that because of the quality of these hawker stalls, they may not be suitable to be placed in urban towns but rather be donated to the people selling fruit next to schools and clinics in the rural areas.

Our Municipality had also engaged the hawkers in both towns and agreed on the trading permits and fees that were to be licenced to the them.

3.2.3.Investments and trading by-laws

Street trading By-law was developed and was still due to be implemented.

The Preliminary Designs for Mlengane Eco –tourism Development Project for which the funding was approved by Thina Sinako had been done and completed. A final Report was submitted to Thina Sinako. The Business Case that was developed for this project identified financial estimates for the construction of the proposed development to a tune of R41, 845,880.88 and bulk infrastructure to support the project is estimated at R34 788, 468.00.

The Feasibility Study for Fish Farming had not been completed and the Municipality was engaging on the best option for the farm. Following meetings with the service provider and East London Industrial Development Zone (IDZ) we agreed on the implementation of two phased approach for the project, as follows:

- A Kob re-stocking/re-seeding project (as an expansion of Tshani - Mankosi Fish Project)
- Commercial Marine Fish Farming at Mthatha Mouth.

Regarding Tshani - Mankosi Fishing Project, the following progress was recorded:-

- i. an agreement with Live fishing for a period of 12 Months had been signed and a fishing permit was received
- ii. A Manager's cottage was developed.
- iii. 200 fisherman had signed agreement with live fishing tanks to supply fish.

A Business Plan for the Dairy Farm at Mdlankomo area was prepared, presented to the community and approved by the Council. The Business Plan estimated that for the project to succeed, we need a capital investment of R24 791 500.00 of which R5 895 000.00 will be a contribution from the private partner and R18 896 500 will be a community contribution. We also engaged National Empowerment Fund (NEF) for the funding of this project.

The construction of Spar and U-Save was completed and businesses opened during the year under review. Engagements were made with the Department of Public Works for the development of office park with commercial enterprises in Libode.

Our Municipality is in the process of developing Liquor trading By-law and Street naming By-laws.

3.2.4 Provision and maintenance of quality and reliable infrastructure: Roads; ITC; market places.

Our Municipality started the process for the demarcation of purchased hawkers stalls for the street traders. The stalls were later allocated to the rural informal traders. Exposure visits were also planned for best Taxi Ranks with nice hawker stalls and this was to be pursued during the next financial year. With the plant and machinery at our disposal we also planned to maintain roads that are leading to LED projects.

3.2.5 Disaster management within the context of conducive environment for economic development (policy /framework adoption and implementation);

OR Tambo District Municipality has the competence to deal with issues of Disaster and they also have a disaster office at our Municipality. The District Municipality also ensured that the environment is conducive for economic development through the implementation of Disaster Management Act. In terms of the said Act, each District Municipality is supposed to develop a Disaster Management plan. The Municipality also ensured that it responded to all incidents of disaster that happened within our area during the year under review.

b. Exploit comparative and competitive advantage for industrial activities

Our Comparative and competitive advantages included the vast tracks of arable land, livestock with no cholesterol, essential oils and aloe plants, 20 km stretch of the coastal area with unspoilt beaches and estuaries, good fishing spots between Mnenu and Mthatha Mouth rivers, proposed Mlengane Eco-Tourism Development projects and proposed Ntlangano Conservancy Project.

C. Intensify Enterprise support and business development

C.1.The type of business development services (BDS) provided to SMME;

Our Municipality has been involved in a number of SMME's and Co-operative supports and development during the year under review. The following reflect the supports provided:-

- i. A training workshop was provided by CIDB on CIDB matters to the contractors of Nyandeni.
- ii. Both ECDC & SEDA have conducted training for Nyandeni co-operatives.
- iii. 15 caterers were selected to attend training at Tsolo Agricultural College.
- iv. Representatives from Three Disabled projects attended entrepreneurship training in Mthatha.

C.2. Public and private partnerships established

The Municipality engaged the Department of Public Works to forge Partnership for the development of an office complex in Libode. The Municipality is in the process of signing a Memorandum of Understanding with the University of Fort for the development of an Agricultural Sector Plan and the development of Farm Layout for Mdlankomo Dairy Farm. No other formal partnerships were developed during the year under review.

C.3. Number of new formal SMME established within the municipality

Except for the SMME's that registered into the Data Base of the Municipality there had been no new formal SMME 's that were established within the Municipality during the year under review. However there had been a considerable increase in the number of Co-operatives that established themselves.

C.4. Number of new employment opportunities through Expanded Public Works Programs and Public and Private Partnerships

68 people have been employed for Tshani-Mankosi fishing projects.

D. Support Social investment program

Beach Festive Programme

37 Life guards were appointed for the festive season starting from December up to January 2011. Other appointments of Life Guards with the same numbers were recorded in preparation for the Easter Holidays.

3.3 Annual performance as per key performance indicators in LED

	Indicator name	Target set for the year	Achievement level during the year (absolute figure)	Achievement percentage during the year
1	Percentage of LED Budget spent on LED related activities.	1750.000	1400 000	80%
2	Number of LED stakeholder forum held	3	1	33%

3	Percentage of SMME that have benefited from a SMME support program	150.	80	53%
4	Number of job opportunities created through EPWP	140	145	104%
5	Number of job opportunities created through PPP	105	78	74%

3.4 Challenges regarding LED strategy implementation

There are a number of challenges that affect the implementation of an LED Strategy. Some of them are:-

- Some projects could not commence on time due to internal delays within the Municipality. For an example, the issue of procurement processes contributed in a great deal and as a result we were always behind time.
- The issue of lack of Bulk Infrastructure is also a problem.
- Another issue is the lack of alignment within budgeting cycles of Municipalities and Government Departments which delay the whole planning process.

Other challenges per project include:-

Mdlankomo Dairy Farm

- Delays encountered have negative impact on the commitment by our private partner
- Securing water license and Electricity Supply
- Lack of Capital funding for the infrastructure like construction of Dairy Parlour, irrigation and fencing
- Attempts to appoint a service provider to do a farm lay out have failed because of limited funds.

Mlengane Eco-Tourism Project

- Financial constraints - The business plan suggested a tune of R41, 845,880.88 for the development of the lodge and R34 788, 468.00 for bulk infrastructure to support the project.
- Delays in the issuing of Record of Decision
- 7 households of Makuzeni locality, where the project is planned, need to be relocated.

Fish Farming Project

- Infrastructure required to support the main operation at Mthatha Mouth.
- Available land for farming compared to the minimum space required for a viable fish farming operation.
- Capital amount required to kick start the project.

Maize Farming

- Late planting in some areas , like Mtyu that resulted in getting less harvest.

- No clear plan for the existing tractors and their equipment and no clear plan for the coming financial year.
- Asgisa experienced shortage of funding

Ntlangano Conservancy Project

- The development of a Master Plan is still a challenge.
- There is no clear land use management and development concept.

Proposed solutions

In trying to address these challenges the following are proposed solutions:-

- Provision of infrastructure and quality and reliable services.
- Managing service tariff policies and managing a progressive property tax system.
- Marketing the Municipality.
- Prioritization of economic lead sectors (tourism, agriculture and trade & retail)
- Adoption of nodal based approach (rural development)
- Promotion of both private and public sector investment
- Financial Resource Mobilization
- Investment in human capital and skills development
- Focused strategy on Black Economic Empowerment (local entrepreneurs)
- Tight alignment of the LED programmes with the poverty alleviation

SUMMARY OF KEY ACHIEVEMENTS		
KPA 3 LOCAL ECONOMIC DEVELOPMENT		
Objectives	Annual Targets	Actual Performance
To ensure the provision of hawker license cards to informal traders	Hawker's trading cards provided	The service provider appointed to deliver Hawker Stalls had delivered 100 portable tables and 80 hawker stalls. The Service Provider was stopped to deliver the remaining 20 stalls because the product was not as per the specification. Trading permits were to be issued once the hawker stalls have been allocated.

<p>To position Nyandeni as tourist destination area</p>	<p>A Tourism Plan reflecting Mlengane Eco-tourism Project as one of bankable tourism projects</p>	<p>Mlengane Eco-Tourism Project</p> <p>The Preliminary Designs for which the funding was approved have been done and completed. A final Report was submitted to Thina Sinako.</p> <p>A community trust was registered</p> <p>The full EIA studies are underway. The EIA consultants had identified challenges pertaining to the proposed site. There are about 7 households that need to be relocated from the proposed site.</p> <p>Land use planning and mobilization of private sector will be done once the ROD has been secured</p> <p>A Mlengane LED Summit was held with success.</p> <p>33 people have been trained in the Mlengane Eco-Tourism Development Programme.</p>
<p>To promote LED and improve economic growth of Nyandeni through fish farming.</p>	<p>Feasibility study for fish farming</p>	<p>Our Municipal leadership with the Chief Director from the Department of Environmental Affairs visited the Mankosi Fishing Project.</p>

<p>To ensure food security through the promotion of agriculture.</p>	<p>500 hectares of land ploughed with maize through partnership with Asgisa EC</p>	<p>The Municipal partnership with Asgisa EC resulted in ploughing to 3 wards being Mhlanga (ward 3) with 53 hectares, Mtyu (ward 16) 103 and Sibangweni (ward 10) 75 hectares.</p> <p>All the areas were planted with maize except for Mhlanga which was planted with Soya Beans. The maize progressed well and a good harvest was anticipated.</p> <p>Asgisa EC received the payment of R700 000 as per the Memorandum of Understanding.</p> <p>Mdlankomo Dairy Farm</p> <p>Land Affairs had also started the process of the community resolutions.</p> <p>Applications have been made to Department of Water and Eskom for Water Licence and electricity respectively.</p> <p>A meeting was held with potential milk buyer and secured an in principle agreement that they are interested to buy.</p> <p>A Municipal delegation visited four successful dairy farms.</p> <p>Prospective Service Providers have been called upon to submit proposals for the development of a Farm Layout of the Dairy Farm.</p>
<p>To develop links with other Municipalities and neighbouring counties for LED initiatives</p>	<p>One formal twinning partnership with foreign country</p>	<p>Assistance had been sought from SALGA EC to assist our Municipality with partnership agreements with one or two rural Municipalities in other Provinces.</p>

To ensure that all projects are thoroughly researched and supported by credible Business Plans before they get implemented	At least two projects have Feasibility studies and two Business Plans are developed	Business Plan for Mdlankomo Dairy Farm and Feasibility Study and Business Plan for Mlengane Eco-Tourism Project have been commissioned. The feasibility study for Fish Farming is still underway.
To develop Ntlangano to serve as a tourist destination area.	A Master Plan in place	Attempts had been made to finalize the registration of Ntlangano Trust and all outstanding information had been submitted to the Master of High Court.
To ensure that the Municipality is fully marketed and known.	500 brochures are produced	The Draft DVD script have been developed and consultation with the role players of the DVD have been done. Brochures will be part of the DVD.
To ensure the implementation of tourism projects and programmes	An implementable Tourism Plan in place	The final Draft of the Tourism Plan has been presented to the Standing Committee, the Executive Committee and still has to be presented to the full Council. A tourism awareness and service excellence workshop was held with a very positive response from tourism stakeholders.
To ensure the institutionalization of tourism and support to Local Tourism Organization	Functional LTO Support to meetings, travelling and accommodation to LTO members	The LTO had developed their budget and proposed action plan to be used as the basis for the Service Level Agreement .

Chapter 5: MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT

Nyandeni Local Municipality has complied with the relevant legislations and prepared its financial statements as per the GRAP standards. We complied with the submission dates by end of August 2011 to Auditor general of South Africa. Our Annual Financial Statements were audited immediately after the submission date which was completed within the regulated timeframe by Auditor General.

Auditor General, after completing their annual audit, in their opinion, that financial statements present fairly, in all material respects, the financial position of the Nyandeni Local Municipality as at 30 June 2010 and its financial performance and its cash flows for the year then ended are prepared, in all material respects in accordance with GRAP accounting policy described in note 1 to the financial statements and in the manner required by the MFMA, the MSA and the DoRA. We were therefore unqualified by Auditor General for the first time in history but not the last time.

The reference is made in relation to the, Statement of financial position (balance sheet), Statement of financial performance (operating statement), Cash flow statement, Statement of changes in net assets, supporting notes to the financial statements. The remuneration of councillors, Senior Managers, officials to the attached Annual Financial Statements as at 30 June 2010

4.1 The audited financial statements

Statement of Financial Position

Figures in Rand

	Note(s)	2011	2010
)		
Assets			
<u>Current Assets</u>			
Investments	2	51 382 051	39 628 226
Trade receivables	3	811 352	377 678
Other receivables	4	1 213 000	396 651
Vat receivable	5	7 350 461	3 596 840
Cash and cash equivalents	6	15 009 850	44 101 961
Other receivable		(52 453)	-
		75 714 261	88 101 356
<u>Non-Current Assets</u>			
Property, plant and equipment	7	255 888 293	225 154 538
Investment property	8	59 386 500	59 386 500
Intangible assets	9	805 384	780 384
		316 080 177	285 321 422
Total Assets		391 794 438	373 422 778
Liabilities			
<u>Current Liabilities</u>			
Payables from exchange transactions	10	5 761 393	7 342 473
Deferred income	11	295 644	295 643
Income received in advance	12	214 715	-
Unspent conditional grants and receipts	13	5 888 918	21 873 769
Provisions	14	2 297 274	789 356

Retentions	15	2 220 710	915 142
Finance lease obligation (current portion)	16	199 225	98 554
		16 877 879	31 314 937

Non-Current Liabilities

Finance lease obligation (non-current portion)	16	537 292	306 200
Total Liabilities		17 415 171	31 621 137

Net Assets

374 379 267 341 801 641

Net Assets

Reserves			
Capital replacement reserve	17	4 176 626	3 997 501
Accumulated surplus	18	369 664 900	337 804 140
Total Net Assets		373 841 526	341 801 641

Statement of Financial Performance

Figures in Rand

Note(s)
)

2011

2010

Revenue from exchange transactions

Service charges	20	70 904	65 792
Rental Income	22	113 484	142 377
Interest received - investment	22	2 279 462	3 280 990
Other income	23	3 675 413	758 356
Fair value gain on short term investments		189 196	119 441

Revenue from non-exchange transactions

Traffic fines	25	330 550	192 400
Property Rates	24	3 997 070	2 665 524
Government grants- Central Government	26	91 649 423	72 524 413
Government grants- Provincial Government	26	26 785 359	21 629 670
Total Revenue		129 090 862	101 378 963

Expenditure

Personnel	27	(50 416 069	(38 079 162
))
Remuneration of councillors	28	(11 261 111	(11 420 158
))
Finance costs	29	(91 163)	(67 268)
Repairs and maintenance		(3 096 361)	(3 417 198)
General Expenses	30	(31 550 839	(23 886 787
))

Fair value loss on short term investments	(252 694)	(581 939)
Total Expenditure	(96 668 237	(77 452 512
))
Loss on disposal of assets	(382 740)	(456 498)
Surplus for the year	32 039 885	23 469 953

Statement of Changes in Net Assets

	Capital replacement reserve	Accumulate d surplus	Total net assets
Figures in Rand			
Opening balance as previously reported	3 611 529	298 864 194	302 475 723
Prior period error	-	15 099 787	15 099 787
Balance at July 01, 2009 as restated	3 611 529	314 720 159	318 331 688
Changes in net assets			
Surplus for the year	-	23 469 953	23 469 953
Transfer to CRR	385 972	(385 972)	-
Total changes	385 972	23 083 981	23 469 953
Balance at 01 July 2010	3 997 501	337 804 140	341 801 641
Changes in net assets			
Surplus for the year	-	32 039 885	32 039 885
Transfer to CRR	179 125	(179 125)	-
Total changes	179 125	31 860 760	32 039 885
Balance at 30 June 2011	4 176 626	369 664 900	373 841 526
Note(s)	17	15	

Cash Flow Statement

Figures in Rand

Note(s)
)

2011

2010

Cash flows from operating activities**Receipts**

Taxation	2 108 486	-
Sale of goods and services	1 314 646	522 697
Investment income	2 279 462	3 280 990
Grants	99 999 932	113 524 085
Other receipts	113 484	142 377
	105 816 010	117 470 149

Payments

Employee cost	(61 677 180	(49 499 320)
Suppliers	(26 803 581	(11 425 617)
Finance charges	(51 029)	(67 268)
Other payments	(3 035 982)	(717 062)
	(91 567 772	(61 709 267)

Undefined difference compared to the cash generated from operations note**150 720 690 098****Net cash flows from operating activities****14 398 958 56 450 980****Cash flows from investing activities**

Purchase of fixed assets	7	(30 733 755	(23 851 405)
Proceeds from sale of property, plant and equipment	7	(382 740)	(456 498)
Proceeds from sale of fixed assets		155 000	-
Proceeds from sale of investments		-	-
Proceeds from loans from economic entities		(13 113 995	(1 677 024)
Net cash flows from investing activities		(44 075 490	(25 984 927)

Cash flows from financing activities

Repayment of finance lease liability		(124 789)	(105 611)
--------------------------------------	--	-----------	-----------

Net increase/(decrease) in cash and cash equivalents**(29 801 321 30 360 442**
)

Cash and cash equivalents at the beginning of the year		44 101 961	13 975 119
Cash and cash equivalents at the end of the year	6	14 300 640	44 335 561

4.2 Budget to actual comparison

The following chart demonstrates the proportional allocation of the operating expenditure in terms of the 5 National Key Performance areas.

IDP	Actual Expenditure	2009/10	2010/11 Actual Expenditure	2010/11 Budget
PRIORITY	Actual BUDGET Expenditure			
Executive and Council	21,068,462	22,652,492	19,072,090	19,915,357
Finance and Administration	16,760,312	22,065,158	28,980,342	32,266,535
Planning and Development	5,401,595	7,419,226	9,099,980	8,881,212
Housing	436,690	878,892	1,908,221	2,110,686
Community and Social services	3,782,937	12,175,126	29,229,098	28,264,193
Technical Services	21,728,665	29,724,475	41,098,098	45,840,184

4.3 Grants and transfers' spending

DISCLOSURE OF GRANTS AND SUBSIDIES IN TERMS OF SECTION 123 OF THE MFMA, ACT 56 OF 2003

The following grant funds had been spent in accordance with the Division of Revenue Act, no funds have been diverted other than the original purpose. All funds have been transfer accordingly and on Equitable share.

Grand Details									
		Quarter 1		Quarter 2		Quarter 3		Quarter 4	
Project name	Donor name	Rec.	Spent	Rec.	Spent	Rec.	Spent	Rec.	Spent
FMG	National Treasury	1,200,000	245 778		456 778		123 569		373 875
MSIG	DPLG	750 000	123 332		134 112		211 908		280 648
MIG	DPLG	11 908	6 678 009		7 786 909	15 339 000	9 8990 099		6 489 099
Equitable Share	National Treasury	31 190 667	35 890 887	31 190 667	23 453 788		39 890 000	31 190 667	

4.5 Long term contracts entered into by the municipality

The municipality does not have long-term contracts and long –term loans.

4.7 The Audit committee functionality

The audit committee fulfil its mandate as per the audit charter and they only set more than once for the year 2010/11.

4.8 Arrears in property rates and service charges

Debtor Age Analysis Summary as at 30 June 2011

The amount are shown in R '000 on the following age analysis. There was provision of bad debts of all debts more than 120 days that was made.

Age analysis for Debtors as at 30 June 2011

Description	Current	30 days	60 days	90 days	120 days	Total
Refuse	12,600	50,453	56,778		123,990	243,821
						-
Rates	3,789,009	679,000	678,998	789,675	4,232,786	10,169,468
TOTAL		729,453	735,776	789,675	4,356,776	10,413,289

Free Basic Services

Free Basic Water: 6kl were supplied to all households qualifying for indigent status in accordance with Council's policy.

Free Basic Electricity: 50kWh were supplied to all households qualifying for indigent status in accordance with Council's policy in its area of supply.

4.9 Anti corruption strategy

The draft Anti Corruption Strategy is in place and in draft for the year 2010/2011.

Chapter 6: GOOD GOVERNANCE AND PUBLIC PARTICIPATION- (KPA 5)

5.1 Overview of the Executive and Council functions and achievements;

5.1.1. Council

Nyandeni Local Council is constituted in terms of section 12 read with section 18 of the Local Government: Municipal Structures Act No. 117 of 1998 and consists of 52 Councillors. Of 26 are ward Councillors and 26 are Proportional Representation Councillors. Of 52 Councillors, 21 are females.

Council Structures

Structure	Function
Council	Pass policies, budget and tariffs
Executive Committee	<ul style="list-style-type: none"> To identify the needs of the community Review and evaluate those needs in order of priority Recommend to the municipal council strategies, programmes and services to address priority needs Recommend or determine best methods, including partnership and other approaches to deliver those strategies, programmes and services
Standing Committee	

Political Parties represented in Council

Party	Total Seats	Ward Seats	PR Seats
African National Congress	46	26	20
UDM	4	-	4
PAC	1	-	1
Total	51	26	25

In the year under review the following structures were established in terms of section 80 and 79 of the Local Government: Municipal Structures Act

Structure	Delegated Function
Corporate Services Standing Committee	<ul style="list-style-type: none"> • Human Resource Development • Administration • Health and Wellness • Maintenance of municipal buildings
Budget and Treasury Standing Committee	<ul style="list-style-type: none"> • Income and Expenditure • Supply Chain Management • Assets and Fleet Management
Planning Standing Committee	<ul style="list-style-type: none"> • Spatial Planning • Land Use Management • Human Settlement
Disaster Management Standing	<ul style="list-style-type: none"> • Fire Fighting • Natural Disasters • Provision of Responsive Material
Technical Services	<ul style="list-style-type: none"> • Construction of access roads • Maintenance of access roads • Electricity
LED Standing Committee	<ul style="list-style-type: none"> • LED and Tourism • SMME • Agriculture • Forestry
Special Programmes	<ul style="list-style-type: none"> • Special Programmes • Sports and Recreation

Other Committees

- i. Oversight Committee
- ii. Members Interest -
- iii. Labour Forum

Targets for 2010/2011

- IDP reviewed annually and all aligned to all municipal planning processes
- Council meetings seat according to approved council calendar

- Prepare and adopt budget and related policies
- Clean audit by 2014
- Develop a public participation policy
- Strengthen ward committee system
- Strengthen Intergovernmental Relations

Highlight for 2010/2011

Focus area		Annual target	Actual Performance	Deviation from the target	Reason for deviation	Corrective Measure
Strategic objective: To ensure effective and efficient council machinery						
Implementation of Council Resolutions	Update Council resolution register and circulation to management	Update on the implementation of council resolutions given to council for the first and second quarter	Nil	Nil	Nil	Nil
	Provide support to Standing Committees, Exco and Council meeting	4 Ordinary and 5 Special Council Meetings held as per the council calendar	Nil	Nil	Nil	Nil
		11 Executive Committee Meetings held including special executive meetings	Nil	Nil	Nil	Nil
		Open Council held in Ngqeleni, about 1500 people attended the event				

5.2 Public participation and consultation;

All wards have functional ward committees chaired by ward councillors. Ward Committees seat once in a month to discuss ward based service delivery issues. In the year under review this committees have played a pivotal role in IDP process including identification of projects.

Mayoral Outreach

In the year under review the Mayoral IDP and Budget Public Hearings were held from the 06th to 14 of April 2011

5.3 Ward committees' establishment and functionality

The municipality has 26 Wards with 260 Ward Committee Members functional and participates actively in the Integrated Development Planning Processes. Ward Committees were inducted and trained on ward governance. Ward Councillors Forum has been established as a network to share information, resolve common challenges, serves as performance monitoring and report back platform.

Furthermore, since 2007 the council is making the following contribution towards supporting and improving performance of ward committees.

- a) Allocated cell phones to all ward committees members
- b) R800.00 stipend paid monthly to 26 Ward Administrators
- c) R300.00 stipend paid monthly to 260 ward committee members
- d) The municipality is further responsible for ward committees transport cost
- e) Provision of R150,00 airtime and hundred sms's for each ward committee member monthly

5.4 Community Development workers performance monitoring

The municipality has 26 CDW's co-ordinated by CDW Co-ordinator. Monthly reports are submitted to the CDW Co-ordinator, who then compile a consolidated monthly report for submission to the municipality and the Department of Local Government and Traditional Affairs (DLGTA).

Reported cases are registered in the case register are then referred to the relevant department. When a case has been resolved and concluded, a complainant is being informed about the resolution of that specific case.

Summary of achievements

Key performance Indicator	Annual Target	Actual targets achieved Quarter 1
Number of door to door visits conducted.	Visit 26 wards	12 wards done door to door visits and campaign for household profiling 700 households visited during the campaign,(ward 05 & 06)intervention on War on poverty programme and in other wards it was for the identification of poor and those who have no documents to access services.
Number of referrals made.	Refer complaints to various government departments	94 referrals were resolved by various government departments
Social issues.	All citizens of	600 new identity documents

	Nyandeni has to possess identity documents in order to access services	collected from Dept of Home Affairs 570 applicants were assisted to apply except the applicants of LRB.
List the type of referrals made.	Social relief of distress. Identity document cases Birth and death certificate cases. Robbery. Family violence. Disaster incidents. Service delivery issues.	Most of referrals were solved except for the cases of identity documents which is still a challenge the late registration birth certificate took long time to be approved & also the case of shelter and service delivery issues which are functions of different government institutions are still pending, the case of Gqweza access road of which we identified as urgent was referred to local municipality.
67 th minutes campaign	To be practised in all wards by different activities which form part of poverty alleviation?	All wards performed 67 th minutes in activities organised by community development workers working with different stakeholders and government departments.
Number of poverty alleviation projects facilitated.	5 poverty alleviation projects per ward as the wards are too vast.	All wards have at least one functional poverty alleviation project, monitored, initiated and assisted by community development workers.
Number of community meetings attended.	Arrange at 4 quarterly report session	All wards held quarterly community meetings.
Number of public participation session facilitated.	All 26 wards	Mayoral Imbizo and meetings called by ward councillors and community development workers in all wards, monthly.
Number of community wards meetings.	To reach all community in all wards.	104 meetings held all over the wards of the municipality
Number of local supporting structure established or facilitated.	Establishment of ward forums, youth and forums and sport councils in every ward.	Local youth council established at municipal level, and all ward forums facilitated.
Number of food security forums established	Establishment of forums in all wards	26 food Established and facilitated at municipal level

		working with the department of agriculture.
Number of early childhood development forums attended.	All wards have early childhood centres build and functional.	Social needs cluster meetings are held on monthly basis of which the early child forums are part of.
Number of HIV/AIDS projects via non profit organisations attended.	Establishment of local aids forum at municipal level down to ward level.	Local aids council well functioning at municipal level and 08 wards has projects via NGO's.
Number of service delivery referrals made.		35 service delivery referrals, indicating mud schools, disaster issues and access roads.
Skills development	Report writing training for all community development workers by district municipality	Training achieved
Public participation workshop, by national parliament.	05 community development workers received training.	

SUMMARY OF ACHIEVEMENTS

Focus area	Annual Target	Actual Performance	Reasons for Deviations	Corrective Measure
Strategic objective: To enhance community participation in the municipal affairs				
Improve public participation in the municipal affairs	Prepare and adopt public participation plan	Public Participation Plan developed and approved by Council	No deviations	nil
Customer Care	Institutionalize management of customer care including presidential hotline	Public liaison Officer designated to handle complaints from the Presidential Hotline complaints in pursuit of Batho Pele Principles.	No deviations	nil
	Capacity building for officials responsible for customer care	Two officials trained on customer care management	No deviation	Nil
Training of	Training of	160 Ward Committees have been	No	nil

Focus area	Annual Target	Actual Performance	Reasons for Deviations	Corrective Measure
Strategic objective: To enhance community participation in the municipal affairs				
Ward Committees	ward committees	trained on Ward Governance.	deviation	
	Conduct feedback session	Open Council Meeting held at Nqgeleni, Ward 21 on the 4 th August 2010, ward committees and general public attended the Open Council Meeting	No deviation	nil
		Meeting on delimitation of wards was held on the 10 th September 2010 wherein a final report was presented to all stakeholders	No deviations	Nil
Mayoral outreach programme		IDP and Budget Public Hearing held from the 6 to 14 April 2011, wherein council gave feedback and outlined priority plans for the next financial year	nil	nil

Focus	Annual Target	Actual Performance	Reason for deviations	Corrective Measure
Strategic objective: To enhance traditional leaders participation in the municipal affairs				
Support to Traditional Leaders	Support to Traditional Leaders	Provided support to the Inauguration of the Dumasi A/A Chief	No deviations	
		Provided supported to event commonly known as (Ukubuyiselwa komdlanga to Nyandeni Great Place	No deviations	
		Provide support during the Funeral service of chief Ndabangaye of Mandlovini A/A		
	Consultation with the Traditional Leadership	2 consultation meeting held with the Traditional Leadership to discuss issues of mutual interest	No deviations	nil
		Draft Policy is in place, awaiting engagement with Traditional Leaders DLGTA is in a process of finalizing a gazette and regulation on the participation of traditional leaders	Awaiting government gazette on the participation of Traditional Leaders in municipal	Secure a meeting with Trico to discuss the draft policy

Focus	Annual Target	Actual Performance	Reason for deviations	Corrective Measure
Strategic objective: To enhance traditional leaders participation in the municipal affairs				
			councils	

Performance Measure	Annual Targets	Actual Performance	Deviation from the target	Reason for deviation	Corrective Measure
Strategic objective: To provide a n innovative, responsive and effective value – added internal audit service by assisting management in controlling risks, monitoring compliance, improving the efficiency and effectiveness of internal control systems and governance processes.					
Municipal Risk Assessment Register 2010/11	Facilitate Municipal wide risk assessment 2010/11	Municipal wide risk assessment was conducted on the following departments: <ul style="list-style-type: none"> • Corporate Services • Budget and Treasury • Planning and Development • Community Services • Office of the Mayor • Office of the Speaker • Office of the Municipal Manager • Technical Services 	No		
Risk-based Internal Audit Plan	Develop Risk Internal Audit Plan 2010-13	1 st :Year Operational Plan 2010/11 completed 2 nd :Year Operational Plan 2011/12 completed 3 rd - Year Operational Plan 2012/13 Completed	None		

Performance Measure	Annual Targets	Actual Performance	Deviation from the target	Reason for deviation	Corrective Measure
Strategic objective: To provide a n innovative, responsive and effective value – added internal audit service by assisting management in controlling risks, monitoring compliance, improving the efficiency and effectiveness of internal control systems and governance processes.					
		Deliverables per first year (2010/11) of the three year strategic plan completed The plan was presented to the Audit committee and was approved by the AC.			
Reviewed Internal Audit Charter	Review Internal Audit Charter	The Internal Audit Charter was reviewed and presented to the audit committee	No		
Developed Internal Audit Staff IDP's	Develop Internal Audit Staff IDP'S	Internal Audit Staff Individual Development Plans were developed. The training requirements were submitted to Corporate Services: SDF	No		
Training report	Train internal audit staff on the following areas: <ul style="list-style-type: none"> Audit of performance 	The senior manager: Internal Audit, Manager: Internal Audit & Intern internal audit had been attended two day Internal Audit Seminar offered jointly by: Institute of Internal Auditors and IMFO at Gauteng.	Yes	Non alignment of internal audit training plan with the Institute of Internal Auditors'	Deviation from the target will be addressed in the next financial

Performance Measure	Annual Targets	Actual Performance	Deviation from the target	Reason for deviation	Corrective Measure
Strategic objective: To provide a n innovative, responsive and effective value – added internal audit service by assisting management in controlling risks, monitoring compliance, improving the efficiency and effectiveness of internal control systems and governance processes.					
	ance information • Auditing of Governance, Strategy and Risk • CIA exam programme • Risk Management Course	<ul style="list-style-type: none"> • Performance/Value for money auditing, • How best to audit financial risks, • Internal Auditors role in (Enterprise Wide Risk Management)EWR M, • Audit performance management system • The role of the Internal Auditor in risk management, • Obtaining combined assurance between internal audit and the AG • Municipal perspective on king 111 report • Balancing internal audit plan with consulting • The SM : Internal Audit and Manager : Internal Audit were also attended a performance information audit course offered by ARMS Audit & Risk Management Solutions • The SM : Internal 		training schedule	year.

Performance Measure	Annual Targets	Actual Performance	Deviation from the target	Reason for deviation	Corrective Measure
Strategic objective: To provide a n innovative, responsive and effective value – added internal audit service by assisting management in controlling risks, monitoring compliance, improving the efficiency and effectiveness of internal control systems and governance processes.					
		Audit has also attended a Risk management course offered by ARMS Audit & Risk Management			
Follow up audit reports	Follow up audit was not part of the operational audit plan 2010/11; however follow up audit was conducted during the first quarter 2010/11 financial year in relation to issues raised by Internal Auditors (IT audits) and AG during the year 2009/10.	Follow up audits were conducted on issues raised by AG and Internal Auditors.			
Ms NLM Beauty Pageants	This audit assignment was not part of our	This audit engagement was completed and findings were communicated with Senior Management from	No		

Performance Measure	Annual Targets	Actual Performance	Deviation from the target	Reason for deviation	Corrective Measure
Strategic objective: To provide a n innovative, responsive and effective value – added internal audit service by assisting management in controlling risks, monitoring compliance, improving the efficiency and effectiveness of internal control systems and governance processes.					
Audit	Internal Audit Plan 2010/11	the Office of the Municipal Manager.			
Waste Management Audit	Conduct Waste management Audit	Completed	No		
Supply chain management	Conduct SCM Audit	SMC audit completed	No		
Internal Audit report: Asset management	Conduct Asset Management Internal Audit	Asset management audit completed.	No		
Internal Audit report: Employee Training and Continuous Development	Conduct Employee Training and Continuous Development Internal	Completed	No		

Performance Measure	Annual Targets	Actual Performance	Deviation from the target	Reason for deviation	Corrective Measure
Strategic objective: To provide a n innovative, responsive and effective value – added internal audit service by assisting management in controlling risks, monitoring compliance, improving the efficiency and effectiveness of internal control systems and governance processes.					
	Audit				
Internal Audit report: Overtime payments	Conduct overtime payments processes Internal Audit.	The draft audit report has been completed	Yes		The report will be finalized during first quarter.
Internal Audit report: Employee Wellness Programme	Audit of Employee Wellness Programme	The assignment was not started	Yes	The assignment was not done. The EWP unit was busy preparing policy	The assignment will be catered for during the next financial year
Governance Process Internal Audit Report	Conduct Governance Internal Audit	Draft audit report has been completed and it will be channelled to relevant departments			The assignment will be catered for during the next financial year
Follow up reviews: <ul style="list-style-type: none"> • Intern 	Conduct follow up reviews	Management has been requested to indicate the implementation status of the management action	Yes		The full follow up reviews

Performance Measure	Annual Targets	Actual Performance	Deviation from the target	Reason for deviation	Corrective Measure
Strategic objective: To provide a n innovative, responsive and effective value – added internal audit service by assisting management in controlling risks, monitoring compliance, improving the efficiency and effectiveness of internal control systems and governance processes.					
al Audit Reports • AG's report issues	• Internal Audit reports • AG's report issues	plan with regard AG's issues rose during the 2009/10.			will carried out during the first quarter of the financial year 2011-12
Audit of Performance Information Report	Conduct Audit of Performance Information	completed	no	no	no

5.5 Communication strategy

The municipal communication strategy is due for review; however a decision was taking in collaboration with the Premier's Office and the Department of Local Government and Traditional Affairs to delay the review process, to allow new council to prepare its five year communication strategy.

In the meanwhile a Communication Plan was developed and adopted by Council to guide and inform municipal communication.

Human resource available to lead the communication activities;

Communication function is located in the office of the municipal manager and is headed by the Senior Manager Operations.

Summary of achievements

Performance Measure	Annual Target	Actual Performance	Deviation from the target Reason for deviation	Corrective Measure
Strategic objective:				
To ensure fulfilment of providing the public with open access to information about policies, programmes, services and initiatives as municipality obligation as government	Events management . (Organization and mobilization for the activities, Council meetings, Radio slots, Media briefing, Radio adverts, Municipality events etc.)	Invited the public to the to a special council meeting held on the 30/03/2011 where drafts IDP/Budget were tabled by making written notice,6 announcements to the media and an ordinary council held on the 31/03/2011 Played a vital role in the organization of municipality events i.e. Official opening of Ngqeleni Pre-School on the 04/02/2011 and official handover of S.S. Mendi site held on the 10/03/2011 *	N/A	N/A
	Revitalization of the Local Communications Forum (LCF)	Engagements with the relevant stakeholders done	Should have been preceded by IGR but failed	Deferred to October 2011
	Production of a Quarterly Newsletter, relevant leaflets/pamphlets (events) , Newspaper adverts,	A decision was taken to delay the project due to financial constraints	Encountered financial challenges to foot the bill	Plans in place to revitalize it on the 1 st Quarter of 2011-201 financial year
	Reviewal of Communication Strategy (Continuous	GCIS advised municipalities to put the development of communication strategies	Agreed to transfer it to the 1 st Quarter of	Adhere to the said Municipality Communication

Performance Measure	Annual Target	Actual Performance	Deviation from the target Reason for deviation	Corrective Measure
Strategic objective:				
)	on hold until the election of new Municipal Councils	2011-2012 financial in line with Municipality Communication Cycle	on cycle
	Maintain our Corporate identity (Design and Production - Banners). Proper organization of outreach programmes/ Imbizos	<p>* Organized branded material for the newly elected councillors i.e. 100 Municipal Handbooks(Local Gov. Legislation)</p> <p>organized promotional material for the council/municipality (1000 Notepads) for safe information keeping</p> <p>organized 2 live radio slots for IDP/Budget public hearings (UCR)</p> <p>Placed IDP & BUDGET outreach Itinerary on the Newspaper (Mthatha Fever)</p> <p>* Made 5 written announcements to the Media for all the 31 Wards (Umhlobo Wenene-FM & UCR)</p>	No deviations	N/A

5.7 Intergovernmental Relations

INTERGOVERNMENTAL RELATIONS

The Municipality has a functional Intergovernmental Relations Forum with three clusters, namely, Economic and Infrastructure Cluster, Social Cluster and Governance Cluster.

In the year under review the municipality in collaboration with the Department of Local Government and Traditional Affairs hosted a successful IGR Summit attended by provincial departments and State Owned Enterprises.

Summary of achievements

Performance Measure	Annual target	Actual Performance	Reasons for deviations	Corrective Measures
Strategic objective: To ensure effective inter-governmental planning and delivery coordination				
By reviving IGR forums and ensuring its effective functioning.	Convene IGR Forum and develop programme of action	A successful IGR was convened with sector departments wherein they committed to support the functioning of IGR	No deviations	nil
	Establish and strengthen clusters	Three clusters have been established. However, there is need to strengthen and capacitate these clusters	Economic Cluster and Governance Cluster	Prepare ToR and action plans for Clusters

Challenges

- I. Poor attendance by sector departments in IDP related programmes
- II. Non alignment and integration of programmes to give effect to cooperate governance

Special Programmes

5.8 Legal matters

5.8.1 Setting up of Legal Units

The Legal Services function is located in the Office of the Municipal Manager and is composed of 2 officials. Keightley Incorporated was appointed to assist the municipality in dealing with complex cases

5.8.2 Management of litigation

Case name	detail	status
Sigqibo Nkonyeni vs NLM	The Plaintiff was suing the municipality for a sum of R800 000.00 for alleged unlawful arrest by one of the	The matter has since been settled out of court.

	municipality's former employees.	
Selina Nontembeko Mantanda v NLM	The Plaintiff is suing the municipality for a sum of R1000 000.00 for alleged negligence of the municipality's employees which resulted in the drowning of the Plaintiff's minor child. The municipality is defending the matter	the matter is currently awaiting a date for hearing
Tamsanqa vs NLM	The Plaintiff is suing the municipality for a sum of R1000 000.00 for alleged negligence of the municipality's employees which resulted in the drowning of the Plaintiff's minor child. The municipality is defending the matter	the matter is currently awaiting a date for hearing

SUMMARY OF ACHIEVEMENTS: LEGAL SERVICES

Focus area		Annual Target	Actual Performance	Deviation		Corrective Measure
Strategic objective:						
By-laws	Gazetting of municipal bylaws	Bylaws gazetted and published		nil	nil	nil
Contract Management	Draft contract or service level agreements	The following contracts were developed or alternatively amended i. SLA with Ndibano Group ii. MOU between Nyandeni LM and Mhlontlo LM – Re-Ntlangano Trust iii. MOU between Tsolo Rural Development and Nyandeni iv. Service Level Agreement between ECATU and Nyandeni LM v. Finalized travel agency Service Level Agreement		nil	nil	nil
Litigations Report	Prepare a consolidate	A consolidated report prepared and submitted		Nil	nil	nil

Focus area		Annual Target	Actual Performance	Deviation		Corrective Measure
Strategic objective:						
	d report for Council	to Executive and Council				
Litigation	Finalization of litigations	The following litigation matters were finalized a. Iliso Consulting Nyandeni b. Mazuke Construction V Nyandeni LM c. Hlazo V Nyandeni				
Litigation	Out of court settlements	a. Mambila V Nyandeni Municipality		nil	nil	nil
Ensure a delegation framework is in place	Develop a delegation register and subject a draft report for consultation processes conduct a workshop with councillors)	Delegation register and policy developed and adopted by Council. Councillors workshoped on the contents of delegations		No deviations	nil	